

POLICIES AND PROCEDURES

Certain applicable policies and procedures of ASSL significant to Trading Account of the Client

1. REFUSAL OF ORDERS FOR PENNY STOCKS

Ambalal Shares & Stocks Pvt Ltd (“ASSL”) normally offers trading facility to its clients in all the compulsorily dematerialised stocks which are listed on the Stock Exchanges. However ASSL discourages/ restricts trading in penny stocks by the clients as they are susceptible to manipulation and risky for investors and in turn to ASSL

“Penny Stocks” for this purpose shall include:

- a. Stocks appearing in the list of illiquid securities issued by the Exchanges from time to time
- b. Stocks which are highly illiquid and have a low market capitalization and ‘Z’ Group Securities.
- c. Any securities as may be restricted for trading by Exchanges.
- d. Any other securities as may be restricted for trading by ASSL based on its internal Evaluation.

As a part of Risk Management System, ASSL restricts clients to buy/ sell in penny stocks only on the basis of 100% upfront margin and on delivery basis. Also ASSL have/may have in place further restrictions in terms of quantity/ value in each / all penny stocks together as notified by its extant circulars. Further in case of Internet Trading clients, ASSL may at any time at its sole discretion block/ restrict the client’s online trading terminal to prevent the client from placing orders in such penny stocks through the Online Trading Platform of ASSL. Further in case the client is able to place an order for penny stocks which are restricted by ASSL through Online Trading Platform or otherwise, ASSL may not accept such order.

ASSL shall not be held liable for restricting / prohibiting trade in penny stocks at any time. Further ASSL shall not be held liable or responsible in any manner whatever for any refusal/ cancellation of orders for trading in penny stocks/other securities and the Client shall indemnify ASSL in respect of any loss caused to ASSL by virtue of the Client trading in penny stocks.

2. SETTING UP OF CLIENT’S EXPOSURE LIMITS

As part of risk management, Ambalal Shares & Stocks Pvt Ltd (“ASSL”) shall set client’s exposure limits depending on the type of securities provided as Margin/ available funds in the client’s ledger plus Fixed Deposits/Bank Guarantees provided by the client and the client profile/ financial status. Exposure limits are also set based on categories of stocks/ position (derivatives) client can trade. Securities that are acceptable as margin and their categorization may be changed by ASSL from time at its sole discretion. Further client categorization may also be changed based on various factors including trading pattern of clients, profile / residential status/ financial status of client.

ASSL from time to time shall apply such haircuts as may be decided by ASSL on the approved securities against which the Exposure limits are given to the client. ASSL may from time to time change the applicable hair cut or apply a haircut higher than that specified by the Regulators/ Exchanges as part of its Risk Management System.

Subject to the client's exposure limits, client may trade in securities and/or take positions in the futures and options segment. Client shall abide by the exposure limits, if any, set by ASSL or by the Exchange or Clearing Corporation or SEBI from time to time. Limits/ Exposure provided shall vary based on the intraday/ delivery/ carry forward positions made by the client.

The exposure limits set by ASSL does not by itself create any right for the client and are liable to be withdrawn at any time without notice and the client shall bear the loss on account of withdrawal of such limits. The client agrees to compensate ASSL in the event of ASSL suffering any loss, harm or injury on account of exposure given and/ or withdrawn.

In case of sale of Securities , such sale may at the discretion of ASSL be provided only to the extent of the availability of securities in the account of the client (DP free Stock, DP lien/ hold marked securities, beneficiary and collateral stock). Further the credit received against sale may be used for exposure as may be decided by ASSL from time to time

In case of derivatives, Clients shall be allowed to trade only up to the applicable client wise position limits set by the Exchanges/ Regulators from time to time. ASSL may from time to time demand additional margin from the client in the form of funds or securities if there is a requirement for the same and the client shall be required to provide the same.

3. APPLICABLE BROKERAGE RATES

The Schedule of Brokerage and other charges liveable by ASSL on the clients are provide under the heading" Schedule of Brokerage and Other Charges" in this Form. Within the mentioned scale, the brokerage and other charges as agreed by the client is indicated and duly signed by the client in that section . If there is any upward revision of brokerage, the same will be informed to the client with 15 days prior notice. However all the brokerage and other charges are subject to the maximum limits as prescribed by SEBI/ Exchanges/ Government and other Regulatory authorities from time to time.

4. IMPOSITION OF PENALTY OR DELAYED PAYMENT CHARGES

The clients are required to settle the pay-in/provide margin within the time limits provided by Exchanges/SEBI/ ASSL risk management system. In case the client fails to provide the same within the prescribed time, delayed payment charges shall be levied on the client's account on any delayed payments towards trading either in the cash or derivatives segments or on account of any other reason beyond the due date of payment as may be prescribed by ASSL. Such delayed payment charges shall be directly debited to the account of the Clients at the end of every month. This is only a penal measure and brings in discipline in the clients to clear the duress in time as ASSL had to clear its obligations to the Exchange as per the time limits set by the Exchanges. ASSL reserves the right of imposition of delayed payment charges on the client account and the client shall be liable for payment of such charges at such rate as may be prescribed by ASSL from time to time.

5. RIGHT TO SELL CLIENTS SECURITIES OR CLOSE CLIENTS POSITIONS, WITHOUT GIVING NOTICE TO THE CLIENT ON ACCOUNT OF NON PAYMENT OF DUES. (LIMITED TO SETTLEMENT / MARGIN OBLIGATIONS)

As a part of its Risk Management System, ASSL shall have the sole discretion to square off the open position of the Client and / or sell client's securities (including securities maintained as margin with ASSL and securities lying in client's beneficiary/ demat account) in case the client fails to meet its settlement / margin obligations in time . The specific securities to be sold and the positions to be squared off shall be decided solely by ASSL. Further, the square off of client's open position or the selling of securities may be executed on such Exchanges and at such price as may be decided by ASSL shall have no obligation of communication the same to the Client. ASSL shall not be responsible for any losses incurred by the client due to such squaring off of the open position of the client. ASSL shall not be responsible for any losses incurred by the client due to such squaring off of the open position of the client. ASSL reserves the right to square off client's open positions or sell client's securities under following circumstances:

- a. Where the limits given to the Client have been breached;
- b. Where the Client has defaulted on their existing obligation and / or have failed to make payments/ deliver securities to ASSL within the stipulated time period as may be prescribed by ASSL
- c. In addition to above, in case of equity and currency derivatives transactions,
 - i. Where the margin or security placed by the Client with ASSL falls short of the applicable minimum margin as may be required to be maintained by the client;
 - ii. Where Mark to Market Loss on the open position has reached the stipulated % of the margins placed with ASSL and the Client(s) have not taken any steps either to replenish the margin or reduce the Mark to Market Loss;
 - iii. If the open position is neither squared off nor converted to Delivery by Client(s) within the stipulated time.

ASSL reserves the right to square off the open position of client and / or sell client's securities under the prescribed circumstances, however ASSL is not obligated and does not guarantee to square off the open positions and /or sell client's securities. The Client shall be sole responsible for the trading decisions taken by the client. It shall be the responsibility of the client to make payments towards outstanding obligations and / or applicable margins to ASSL in time irrespective of whether ASSL exercises its right to square off the positions of the client in accordance with the provisions given herein above.

Client shall be solely responsible for any resultant losses incurred to client due to selling of client's securities by ASSL or squaring off the client's open positions or for not doing so. All losses in this regard shall be borne by the CLIENT in this behalf.

The CLIENT accepts to comply with ASSL's requirement of payment of Margin/settlement obligations of the Client, immediately failing which ASSL may sell, dispose, transfer or deal in any other manner the securities already place with it as Margin/lying in the beneficiary

account of ASSL or square –off all or some of the outstanding F&O positions of the CLIENT as it deems fit at its sole discretion without further reference to the CLIENT and any resultant or associated losses that may occur due to such square-off/sale shall be borne by the CLIENT and ASSL shall be full indemnified and held harmless by the CLIENT in this behalf at all times.

6. SHORTAGES IN OBLIGATIONS ARISING OUT OF INTERNAL NETTING OF TRADES

In case the client defaults on its existing obligation and in the event the trade has been internally netted off by ASSL, there could be internal shortages,. Their internal shortages are marked against the client randomly at the sole discretion of ASSL taking into account the delivery obligations through Exchanges. In case of failure of delivery the client marked for internal netting of trade the same shall be met through fresh marked purchases and the loss on account of the said purchases will be charged to the defaulting client's. However, defaulting client will not be eligible for any profit of account of this.

ASSL shall not be responsible for losses to the Client on account of such shortages. All losses to the client on this account shall be borne solely by the client and the Client shall indemnify ASSL in this respect.

7. CONDITIONS UNDER WHICH CLIENT MAY NOT BE ALLOWED TO TAKE FURTHER POSITIONS OR BROKER MAY CLOSE EXISTING POSITIONS OF CLIENT.

In addition to the conditions as provided under the policy of right to sell security and close out clients open position as detailed in point 4 above, ASSL shall have the right to refuse to execute trades,/allow the client to take further positions and/or close out the existing positions of client under following circumstances:

- a. As a result of any Regulatory directive/ restricting,
- b. Non-receipt of funds/securities and/or bouncing of cheque received from the client towards the obligations/margin /ledger balances:
- c. Due to technical reasons:
- d. Securities breaching the limits specified by the Exchanges/regulators from time to time
- e. In case of failure to meet margin including mark to market margins by the client,
- f. In case securities to be transacted by client are not in dematerialized form
- g. Any other conditions as may be specified by ASSL from time to time in view of market condition, regulatory requirements, internal policies etc and risk management system,
- h. Due to any force majeure event beyond the control of ASSL.

ASSL shall not be responsible for any loss incurred and the client shall indemnify ASSL in this regard.

8. TEMPORARILY SUSPENDING OR CLOSING OF CLIENT'S ACCOUNT AT THE CLIENT'S REQUEST

ASSL may suspend or close the trading account of the client pursuant to SEBI or any other Regulatory directive for such period as may be prescribed by the respective Regulator, ASSL may further at its sole discretion and with/without information to the CLIENT, prohibit or restrict or block the CLIENT's access to the use of the web site or related services and the CLIENTS's ability to trade due to market conditions and other internal policies including policy with respect to prevention of money laundering.

Client can initiate temporary suspending/closure of its account at any time by giving a request to ASSL in writing 15 days in advance, However, such suspension/closure will be effected subject to clearance of all dues and settlement obligations by the client.

Trades in the account of the client during the period of such temporary suspension shall not be permitted.

Notwithstanding any such suspension /closure, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to such closure/suspension shall continue to subsist and be binding on the client.

In case the account has been temporarily suspended at the request of the client, the account shall be reactivated only on submission of a written request for reactivation by the client.

9. DEREGISTRATION OF CLIENT

Deregistration of the client/Termination shall be at the sole discretion of ASSL. ASSL may deregister the client if the client breaches the terms and conditions of the member-client is suspected to be involved in any activities in violation of applicable Rules and Regulations. Further the client may be deregistered due to any Regulatory directive, market conditions and other internal policies of ASSL including policy with respect to prevention of money laundering. Such deregistration/terminations shall not affect the rights and liabilities of the parties in respect of the transactions executed before the date such deregistration/termination.

10. TREATMENTS OF INACTIVE ACCOUNTS

In case the Trading and / or demat account of the client is not operated by the client for a continuous period of six months the same will be considered to be 'Inactive Account'. Such Inactive account will be blocked for further transactions by the client. The client will have to submit following documents / confirmation, for re-activation of such blocked account:

1. Call the Customer Care centre identifying himself (thorough validation questions) and requesting for activating of account for placing orders / transacting in the account:
OR
2. Client can give the duly signed request in writing at any of the Branch offices of Ambalal Shares & Stocks Pvt Ltd : OR
3. By placing request for re-activation of account through the Internet Trading portal.

During the blocked period if there is any debit / dues to Ambalal Shares & Stocks Pvt Ltd in client's account, ASSL shall have the authority to liquidate the client's position to the required extent during the block period.;

During the block period if any corporate actions or pay-outs are due for return to the client, the same will be affected/ returned by ASSL to the client's account